

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NORTH CAROLINA
NEW BERN DIVISION**

In Re:
**Peppertree-Atlantic Beach
Association, Inc.**

Case No.: 15-02700-5-DMW

**MONTHLY REPORT OF CORPORATE DEBTOR IN POSSESSION/TRUSTEE
FOR THE MONTH OF November 2015.**

I. Summary of Business Operations:

1 (a). Please summarize Debtor's activities for the month:

The Debtor continued to formulate options for demolition of buildings 1-14. The Debtor filed an Application to Employ Byrd Surveying on November 19, 2015 [DE#277] and an Application to Employ Environmental Holdings Group, LLC on November 20, 2015 [DE#279].

(b) Did operations meet the Debtor's expectations/projections this month? If no, what affected profitability?

Yes

2. Did the Debtor have any significant receipts or disbursements this month that were "one time only," that will not necessarily occur in each month going forward? (*i.e.*, receipt of insurance proceeds, receipt of refunds, payment of annual or quarterly premiums, large repair expenses, etc.) If yes, please describe:

No

3. Does the Debtor expect to make any changes to its business in the next 30 days? If yes, please describe:

No

II. Summary of Chapter 11 Activities

1. Were any transactions this month outside of the ordinary course of business? (*i.e.*, sale of property, loans from third parties, large purchases, etc.) If yes, please describe:

No

2. What steps has the Debtor taken toward reorganization or liquidation?

The Debtor filed its Amended Plan and Amended Disclosure Statement on October 30, 2015. A hearing on the Debtor's Amended Disclosure Statement is set for December 8, 2015.

I declare under penalty or perjury that the information contained in this report is true and correct to the best of my knowledge and belief.

Respectfully submitted this 7th day of December, 2015.

Signature: /s/ James Badia
James Badia, Board Member

Dated: December 7, 2015

/s/Rebecca F. Redwine
Jason L. Hendren
NC State Bar No. 26869
Rebecca F. Redwine
NC State Bar No. 37012
4600 Marriott Drive, Suite 150
Raleigh, NC 27612
Telephone: (919) 573-1422
Facsimile: (919) 420-0475
Email: jhendren@hendrenmalone.com
Email: rredwine@hendrenmalone.com
ATTORNEYS FOR DEBTOR

**ATTACHMENT TO CHAPTER 11 MONTHLY REPORT
FOR THE MONTH OF November, 2015**

PART A:

CERTIFICATIONS

1. Yes ☒ No ☐ All post-petition taxes [tax obligations arising after the chapter 11 petition was filed] are currently paid or deposited.
2. Yes ☒ No ☐ All tax returns coming due post-petition have been filed or extensions granted.
3. Yes ☒ No ☐ All administrative expenses [post-petition obligations] other than taxes are current.
4. Yes ☒ No ☐ All insurance remains in full force and effect in accordance with Local Bankruptcy Rule No. 4002-1(b)(1)(c).
5. Yes ☒ No ☐ New books and records were opened as of the petition date and are being maintained monthly and are current.
6. Yes ☒ No ☐ New DIP bank accounts were opened and are reconciled in accordance with Local Bankruptcy Rule No. 4002-1(b)(1).
7. Yes ☒ No ☐ Pre-petition bank accounts have been closed.
8. Yes ☒ No ☐ Prepetition debts [obligations due on or before the filing of the case] have not been paid *since the filing of this case*.
9. Yes ☒ No ☐ Prepetition debts [obligations due on or before the filing of the case] have not been paid *this reporting period*.
10. Yes ☒ No ☐ The only transfers of property made during this period were transfers which were in the ordinary course of business.
11. Yes ☒ No ☐ Estate funds which are on deposit in banking institutions are fully covered by FDIC or FSLIC insurance of \$250,000.00.
12. Yes ☒ No ☐ Copies of the corresponding bank statements are attached for each open account.
13. Yes ☒ No ☐ If this report falls on the calendar quarter, the Debtor has paid the Chapter 11 quarterly fee.

IF THE ANSWER TO ANY OF THE CERTIFICATIONS ABOVE IS NO, PLEASE PROVIDE EXPLANATION ON SUPPLEMENT TO PART A.

SUPPLEMENT TO PART A:

EXPLANATION OF CERTIFICATIONS REFLECTED AS "NO"

1. Post-petition taxes not current or not deposited:

Type	and amount	\$	unpaid or not deposited.
------	------------	----	--------------------------

2. Tax returns not filed:

3. Administrative expenses [post-petition] other than taxes not current:

Type	and amount	\$	unpaid.
------	------------	----	---------

Type	and amount	\$	unpaid.
------	------------	----	---------

When will the Debtor bring these payments current?

4. Description of uninsured estate property, reasons why and steps implemented to obtain insurance:
5. Reason/explanation why new books and records have not been opened:
6. Reason/explanation why new bank accounts have not been opened:
7. Reason/explanation why old bank accounts have not been closed:
8. List all prepetition debts which were paid since the petition date including the name and address of the creditor paid, the amount paid, and the justification for the payment. [do not include payments to secured creditors or lessors under an adequate protection agreement.]
9. List all prepetition debts paid this reporting period in the format identified in #8 above:
10. List all property which was sold/transferred outside the ordinary course of business and whether prior authority for such transfer[s] was obtained from the court:
11. If funds are not fully covered by FDIC or FSLIC insurance of \$250,000.00, provide name of bank[s] wherein estate monies are deposited and the balance of all accounts therein.
12. Reason/explanation why bank statements were not attached:
13. Reason/explanation why Debtor has not paid the Chapter 11 quarterly fee:

**ATTACHMENT TO CHAPTER 11 MONTHLY REPORT
FOR THE MONTH OF November, 2015**

PART B:
MUST BE COMPLETED FOR EACH OPEN BANK ACCOUNT

SUMMARY OF CASH RECEIPTS AND DISBURSEMENTS

CASH ACTIVITY ANALYSIS

NATURE/TYPE OF ACCOUNT: ☒ **General/Operating Account; DIP**
☐ **Tax Account;**
☐ **Payroll Account**
☐ **Other:**

	<u>AMOUNT</u>
1. CASH BALANCE FROM PREVIOUS MONTH'S REPORT:	\$150,458.84
2. TOTAL CASH RECEIPTS: [On following page- Supplement to Part B- provide a description of the source and amount]	\$0.00
3. CASH BALANCE AVAILABLE [#1 plus #2]	\$150,458.84
4. TOTAL CASH DISBURSEMENTS: [On following page- Supplement to Part B- provide a description of the disbursements]	\$3.00
5. ENDING CASH BALANCE [3 less #4]	\$150,455.84

SUMMARY OF BANK ACCOUNT INFORMATION

6.	TOTAL BANK BALANCE	\$150,455.84
7.	PLUS UNCLEARED DEPOSITS	\$0.00
8.	LESS UNCLEARED CHECKS	\$0.00
9.	RECONCILED BALANCE	\$150,455.84

BANK NAME:	First Citizens Bank
ACCOUNT NUMBER:	***** 9512
NATURE OF ACCOUNT:	Operating DIP checking account

*If item #5 differs from item #9, please explain.

**SUPPLEMENT TO PART B:
MUST BE COMPLETED FOR EACH OPEN BANK ACCOUNT**

DESCRIPTION/ITEMIZATION OF RECEIPTS AND DISBURSEMENTS

NATURE/TYPE OF ACCOUNT: ☒ **General/Operating Account; DIP**
 ☐ **Tax Account;**
 ☐ **Payroll Account**
 ☐ **Other:**

AMOUNT

1. RECEIPTS:

Payment of 2015 Maintenance Fee	\$0.00
Other income	\$0.00

*TOTAL = **\$0.00**

***Total equals item**

#2/Total Cash Receipts on Part B.

2. DISBURSEMENTS:

Utilities	\$0.00
Taxes	\$0.00
Service Charges – Bank service fees	\$3.00
Insurance	\$0.00
Court approved legal fees- Jordan Price	\$0.00
Court approved legal fees- Hendren & Malone	\$0.00
Quarterly Fee	\$0.00

*TOTAL = **\$3.00**

***Total equals item**

#4/Total Cash Disbursements on Part B.

**ATTACHMENT TO CHAPTER 11 MONTHLY REPORT
FOR THE MONTH OF November 2015**

PART C:

SUMMARY OF ACCOUNTS RECEIVABLE

	AMOUNT
Beginning Balance	\$3,163,828.09
Collections on Account	\$0.00
Ending Balance	\$3,163,828.09

STATUS OF COLLECTIONS:

Current to 30 days	\$0.00
31 to 60 days	\$0.00
61 to 90 days	\$0.00
91 to 120 days	\$0.00
121 days and older	\$3,163,828.09
TOTAL:	\$3,163,828.09

**ATTACHMENT TO CHAPTER 11 MONTHLY REPORT
FOR THE MONTH OF November 2015**

PART D:

**SUMMARY OF ACCOUNTS PAYABLE
[EXCLUDING PREPETITION ACCOUNTS PAYABLE]**

	<u>AMOUNT</u>
Current to 30 days	\$
31 to 60 days	\$
61 to 90 days	\$
91 to 120 days	\$
121 days and older	\$
TOTAL:	\$

If there are payables outstanding greater than 60 days, please provide explanation:

**ATTACHMENT TO CHAPTER 11 MONTHLY REPORT
FOR THE MONTH OF November 2015**

Part E:

STATUS OF PAYMENTS TO SECURED CREDITORS

1. Creditor Name:
Was this creditor paid in full this month?
If not, was any amount paid to the creditor this month?
Have all payments due to this creditor since the petition date been paid?
If not, how much is owed this creditor in missed or partial payments since the petition date?
2. Creditor Name:
Was this creditor paid in full this month?
If not, was any amount paid to the creditor this month?
Have all payments due to this creditor since the petition date been paid?
If not, how much is owed this creditor in missed or partial payments since the petition date?
3. Creditor Name:
Was this creditor paid in full this month?
If not, was any amount paid to the creditor this month?
Have all payments due to this creditor since the petition date been paid?
If not, how much is owed this creditor in missed or partial payments since the petition date?
4. Creditor Name:
Was this creditor paid in full this month?
If not, was any amount paid to the creditor this month?
Have all payments due to this creditor since the petition date been paid?
If not, how much is owed this creditor in missed or partial payments since the petition date?
5. Creditor Name:
Was this creditor paid in full this month?
If not, was any amount paid to the creditor this month?
Have all payments due to this creditor since the petition date been paid?
If not, how much is owed this creditor in missed or partial payments since the petition date?
6. Creditor Name:
Was this creditor paid in full this month?
If not, was any amount paid to the creditor this month?
Have all payments due to this creditor since the petition date been paid?
If not, how much is owed this creditor in missed or partial payments since the petition date?
7. Creditor Name:
Was this creditor paid in full this month?
If not, was any amount paid to the creditor this month?
Have all payments due to this creditor since the petition date been paid?
If not, how much is owed this creditor in missed or partial payments since the petition date?

**ATTACHMENT TO CHAPTER 11 MONTHLY REPORT
FOR THE MONTH OF November 2015**

**Part F:
STATUS OF PAYMENTS TO LESSORS**

Provide the following information for all leases that have not been rejected:

1. Lessor Name:
Was this creditor paid in full this month?
If not, was any amount paid to the creditor this month?
Have all payments due to this creditor since the petition date been paid?
If not, how much is owed this creditor in missed or partial payments since the petition date?
2. Lessor Name:
Was this creditor paid in full this month?
If not, was any amount paid to the creditor this month?
Have all payments due to this creditor since the petition date been paid?
If not, how much is owed this creditor in missed or partial payments since the petition date?
3. Lessor Name:
Was this creditor paid in full this month?
If not, was any amount paid to the creditor this month?
Have all payments due to this creditor since the petition date been paid?
If not, how much is owed this creditor in missed or partial payments since the petition date?
4. Lessor Name:
Was this creditor paid in full this month?
If not, was any amount paid to the creditor this month?
Have all payments due to this creditor since the petition date been paid?
If not, how much is owed this creditor in missed or partial payments since the petition date?
5. Lessor Name:
Was this creditor paid in full this month?
If not, was any amount paid to the creditor this month?
Have all payments due to this creditor since the petition date been paid?
If not, how much is owed this creditor in missed or partial payments since the petition date?
6. Lessor Name:
Was this creditor paid in full this month?
If not, was any amount paid to the creditor this month?
Have all payments due to this creditor since the petition date been paid?
If not, how much is owed this creditor in missed or partial payments since the petition date?
7. Lessor Name:
Was this creditor paid in full this month?
If not, was any amount paid to the creditor this month?
Have all payments due to this creditor since the petition date been paid?
If not, how much is owed this creditor in missed or partial payments since the petition date?

**ATTACHMENT TO CHAPTER 11 MONTHLY REPORT
FOR THE MONTH OF November, 2015**

PART G:

SUMMARY OF OFFICER/OWNER COMPENSATION AND PERSONNEL REPORT

1. Report all salaries received from or paid by the debtor to an owner or officer of the debtor.

☒ Check here if same as last monthly report or provide the following information:

Name of Officer/Owner	Title	Amount of Compensation Authorized By the Court	Amount of Compensation Received this Month	Date Approved
-----------------------	-------	---	--	---------------

2. Personnel Report:

☒ Check here if same as last monthly report or provide the following information:

	Full Time	Part Time
Total number of employees at beginning of the reporting period	0	0
Number hired during the period	0	0
Number terminated/resigned the period	0	0
Total number of employees at the end of the period	0	0

3. Report all payments made to professionals (*i.e.*, accountants, attorneys, realtors) paid by the debtor:

Name of Professional	Type of Service (<i>i.e.</i> , acct., atty, etc.)	Amount of Compensation Authorized By the Court	Amount of Compensation Received this Month	Date Approved
----------------------	---	---	--	---------------

**ATTACHMENT TO CHAPTER 11 MONTHLY REPORT
FOR THE 4th QUARTER OF 2015**

PART J: CHAPTER 11 QUARTERLY FEES

Disbursements include: Sum total of disbursements from all bank accounts, including payments of operating expenses and payments to secured creditors and lessors. Disbursements do not include transfers between accounts. Quarterly fees are not prorated.

1st Quarter

Disbursements for January, 2015:

Disbursements for February, 2015:

Disbursements for March, 2015:

Amount of Fee Due:

Amount Paid:

Total Disbursements for the 1st Quarter:

2nd Quarter

Disbursements for April, 2015:

Disbursements for May, 2015:

Disbursements for June, 2015:

Amount of Fee Due:

Amount Paid:

Total Disbursements for the 2nd Quarter:

3rd Quarter

Disbursements for July, 2015:

Disbursements for August, 2015:

Disbursements for September, 2015:

Amount of Fee Due:

Amount Paid:

Total Disbursements for the 3rd Quarter: \$

4th Quarter

Disbursements for October, 2015: \$3.00

Disbursements for November, 2015: \$3.00

Disbursements for December, 2015:

Amount of Fee Due:

Amount Paid:

Total Disbursements for the 4th Quarter:

Calculating the Fee: Use the table on the following page to compute the Amount of Fee Due for each quarter.

Please remit payment to Hendren & Malone, PLLC at least 5 DAYS prior to the end of the quarter.

Hendren & Malone, PLLC

Attn: Rebecca Redwine

4600 Marriott Drive, Suite 150

Raleigh, North Carolina 27612

If the amount paid differs from the amount due, please provide an explanation:

Total Disbursement for the Quarter	Amount of Fee Due
\$0 to \$14,999.00	\$325
\$15,000.00 to \$74,999.99	\$650
\$75,000.00 to \$149,999.99	\$975
\$150,000.00 to \$224,999.99	\$1,625
\$225,000.00 to \$299,999.99	\$1,950
\$300,000.00 to \$999,999.99	\$4,875
\$1,000,000.00 to \$1,999,999.99	\$6,500
\$2,000,000.00 to \$2,999,999.99	\$9,750
\$3,000,000.00 to \$4,999,999.99	\$10,400
\$5,000,000.00 to \$14,999,999.99	\$13,000
\$15,000,000.00 to \$29,999,999.99	\$20,000
\$30,000,000.00 or more	\$30,000